COMMERCIAL REHABILITATION ACT

Act 210 of 2005

AN ACT to provide for the establishment of commercial rehabilitation districts in certain local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain qualified facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of certain local governmental officials; and to provide penalties.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

The People of the State of Michigan enact:

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207.841 Short title.

Sec. 1.

This act shall be known and may be cited as the "commercial rehabilitation act".

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

207.842 Definitions.

Sec. 2.

As used in this act:

(a) "Commencement" of the rehabilitation means the date the first building or other trade permit is issued related to the rehabilitation of the qualified facility, unless sufficient documented proof can be provided to show that rehabilitation did not start until a later date. Commencement of the rehabilitation does not include demolition activity, or the issuance of a demolition permit, that occurs before the issue date of the first building or other trade permit.

(b) "Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property under sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise or multifamily residential use. Commercial property also includes facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise. Commercial property does not include any of the following:

(i) Land.

(ii) Property of a public utility.

(c) "Commercial rehabilitation district" or "district" means an area not less than 3 acres in size of a qualified local governmental unit established under section 3. However, if the commercial rehabilitation district is located in a downtown or business area or contains a

qualified retail food establishment, as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size.

(d) "Commercial rehabilitation exemption certificate" or "certificate" means the certificate issued under section 6.

(e) "Commercial rehabilitation tax" means the specific tax levied under this act.

(f) "Commission" means the state tax commission created by 1927 PA 360, MCL 209.101 to 209.107.

(g) "Department" means the department of treasury.

(h) "Multifamily residential use" means multifamily housing consisting of 5 or more units.

(i) "Qualified facility" means, except as otherwise provided in subdivision (j), any of the following:

(i) A qualified retail food establishment or a building or group of contiguous buildings of commercial property that is 15 years old or older or has been allocated for a new markets tax credit under section 45D of the internal revenue code of 1986, 26 USC 45D.

(ii) A building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property that, within the immediately preceding 15 years, was commercial property.

(iii) Vacant property located in a city with a population of more than 500,000 according to the most recent federal decennial census and from which a previous structure has been demolished and on which commercial property is or will be newly constructed if an application for a certificate has been filed with that city before July 1, 2010.

(iv) A hotel or motel that has additional meeting or convention space that is attached to a convention and trade center that is over 250,000 square feet in size and that is located in a county with a population of more than 1,100,000 and less than 1,600,000 as of the most recent decennial census.

(j) Qualified facility does not include either of the following:

(i) Property that is to be used as a professional sports stadium.

(ii) Property that is to be used as a casino. As used in this subparagraph, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.

(k) "Qualified local governmental unit" means a city, village, or township.

(l) "Qualified retail food establishment" means property that meets all of the following requirements:

(i) The property will be used primarily as a retail supermarket, grocery store, produce market, or delicatessen that offers unprocessed USDA-inspected meat and poultry products or meat products that carry the USDA organic seal, fresh fruits and vegetables, and dairy products for sale to the public.

(ii) The property is located in an underserved area in a qualified local governmental unit that is 1 of the following:

(A) A qualified local governmental unit as defined in section 2 of the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782.

(B) Designated as rural as defined by the United States Census Bureau.

(iii) The property was used as residential, commercial, or industrial property as allowed and conducted under the applicable zoning ordinance for the immediately preceding 30 years.

(m) "Rehabilitation" means, except as otherwise provided in subdivision (n), changes to a qualified facility that are required to restore or modify the property, together with all

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appurtenances, to an economically efficient condition. Rehabilitation includes all of the following:

(i) Major renovation and modification including, but not necessarily limited to, all of the following:

(A) The improvement of floor loads.

(B) The correction of deficient or excessive height.

(C) New or improved fixed building equipment, including heating, ventilation, and lighting.

(D) Reducing multistory facilities to 1 or 2 stories.

(E) Improved structural support, including foundations.

(F) Improved roof structure and cover.

(G) Floor replacement.

(H) Improved wall placement.

(I) Improved exterior and interior appearance of buildings.

(J) Other physical changes required to restore or change the property to an economically efficient condition.

(ii) New construction of a qualified retail food establishment.

(iii) New construction of a qualified facility that is a hotel or motel that has additional meeting or convention space that is attached to a convention and trade center that is over 250,000 square feet in size and that is located in a county with a population of more than 1,100,000 and less than 1,600,000 as of the most recent decennial census, if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit.

(iv) New construction on vacant property from which a previous structure has been demolished, if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit.

(n) Rehabilitation does not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the qualified facility.

(o) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(p) "Underserved area" means an area determined by the department of agriculture and rural development that contains a low or moderate income census tract and a below average supermarket density, an area that has a supermarket customer base with more than 50% living in a low income census tract, or an area that has demonstrated significant access limitations due to travel distance.

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History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2006, Act 554, Imd. Eff. Dec. 29, 2006 ;-- Am. 2008, Act 3, Imd. Eff. Feb. 7, 2008 ;-- Am. 2008, Act 118, Imd. Eff. Apr. 29, 2008 ;-- Am. 2008, Act 231, Imd. Eff. July 17, 2008 ;-- Am. 2008, Act 500, Imd. Eff. Jan. 13, 2009 ;-- Am. 2011, Act 81, Imd. Eff. July 12, 2011 ;-- Am. 2011, Act 82, Imd. Eff. July 12, 2011 ;-- Am. 2026, Act 35, Imd. Eff. July 22, 2026

207.843 Commercial rehabilitation district; establishment by qualified rehabilitation district; adoption of resolution; notice and opportunity for hearing; findings and determination; rejection.

Sec. 3.

(1) A qualified local governmental unit, by resolution of its legislative body, may establish 1 or more qualified rehabilitation districts that may consist of 1 or more parcels or tracts of land

or a portion of a parcel or tract of land, if at the time the resolution is adopted, the parcel or tract of land or portion of a parcel or tract of land within the district is a qualified facility.

(2) The legislative body of a qualified local governmental unit may establish a commercial rehabilitation district on its own initiative or upon a written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed commercial rehabilitation district. The written request must be filed with the clerk of the qualified local governmental unit.

(3) Before adopting a resolution establishing a commercial rehabilitation district, the legislative body shall give written notice by certified mail to the county in which the proposed district is to be located and the owners of all real property within the proposed commercial rehabilitation district and shall afford an opportunity for a hearing on the establishment of the commercial rehabilitation district at which any of those owners and any other resident or taxpayer of the qualified local governmental unit may appear and be heard. The legislative body shall give public notice of the hearing not less than 10 days or more than 30 days before the date of the hearing.

(4) The legislative body of the qualified local governmental unit, in its resolution establishing a commercial rehabilitation district, shall set forth a finding and determination that the district meets the requirements set forth in subsection (1) and shall provide a copy of the resolution by certified mail to the county in which the district is located.

(5) Within 28 days after receiving a copy of the resolution establishing a commercial rehabilitation district, the county may reject the establishment of the district by 1 of the following methods:

(a) If the county has an elected county executive, by written notification to the qualified local governmental unit.

(b) If the county does not have an elected county executive, by a resolution of the county board of commissioners provided to the qualified local governmental unit.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

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207.844 Commercial rehabilitation exemption certificate; filing application by owner of qualified facility; notice and hearing.

Sec. 4.

(1) If a commercial rehabilitation district is established under section 3, the owner of a qualified facility may file an application for a commercial rehabilitation exemption certificate with the clerk of the qualified local governmental unit that established the commercial rehabilitation district. The application shall be filed in the manner and form prescribed by the commission. The application shall contain or be accompanied by a general description of the qualified facility, a general description of the proposed use of the qualified facility, the general nature and extent of the rehabilitation to be undertaken, a descriptive list of the fixed building equipment that will be a part of the qualified facility, a time schedule for undertaking and completing the rehabilitation of the qualified facility, a statement of the economic advantages expected from the exemption, including the number of jobs to be retained or created as a result of rehabilitating the qualified facility, including expected construction employment, and information relating to the requirements in section 8.

(2) Upon receipt of an application for a commercial rehabilitation exemption certificate, the clerk of the qualified local governmental unit shall notify in writing the assessor of the local tax collecting unit in which the qualified facility is located, and the legislative body of each taxing unit that levies ad valorem property taxes in the qualified local governmental unit in

which the qualified facility is located. Before acting upon the application, the legislative body of the qualified local governmental unit shall hold a public hearing on the application and give public notice to the applicant, the assessor, a representative of the affected taxing units, and the general public. The hearing on each application shall be held separately from the hearing on the establishment of the commercial rehabilitation district.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

207.845 Commercial rehabilitation exemption certificate; approval or disapproval of application.

Sec. 5.

The legislative body of the qualified local governmental unit, not more than 60 days after receipt of the application by the clerk, shall by resolution either approve or disapprove the application for a commercial rehabilitation exemption certificate in accordance with section 8 and the other provisions of this act. The clerk shall retain the original of the application and resolution. If approved, the clerk shall forward a copy of the application and resolution to the commission. If disapproved, the reasons shall be set forth in writing in the resolution, and the clerk shall send, by certified mail, a copy of the resolution to the applicant and to the assessor. A resolution is not effective unless approved by the commission as provided in section 6.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

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207.846 Commercial rehabilitation exemption certificate; issuance; form; contents; effective date; maintenance of record and copies; errors or mistakes; amended applications.

Sec. 6.

(1) Not more than 60 days after receipt of a copy of the application and resolution adopted under section 5, the commission shall approve or disapprove the resolution.

(2) Following approval of the application by the legislative body of the qualified local governmental unit and the commission, the commission shall issue to the applicant a commercial rehabilitation exemption certificate in the form the commission determines, which must contain all of the following:

(a) A statement that unless revoked as provided in this act the certificate remains in force for the period stated in the certificate.

(b) A statement of the taxable value of the qualified facility, separately stated for real and personal property, for the tax year immediately preceding the effective date of the certificate after deducting the taxable value of the land and personal property other than personal property assessed under sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14.

(3) Except as otherwise provided in subsection (5) or section 8(4), the effective date of the certificate is the December 31 immediately following the date of issuance of the certificate.

(4) The commission shall file with the clerk of the qualified local governmental unit a copy of the commercial rehabilitation exemption certificate, and the commission shall maintain a record of all certificates filed. The commission shall also send a copy of the commercial rehabilitation exemption certificate to the applicant and the assessor of the local tax collecting unit in which the qualified facility is located.

(5) If the commission receives an application under this act for a commercial rehabilitation exemption certificate and the application is made complete before the October 31 following the year in which the application is received by the commission, the commission may issue for that property a commercial rehabilitation exemption certificate that has an effective date of December 31 of the year in which the application was received by the commission.

(6) If an error or mistake in an application for a commercial rehabilitation exemption certificate is discovered after the qualified local governmental unit has passed a resolution approving the application or after the commission has issued a certificate for the application, an applicant may submit an amended application in the same manner as an original application under this act that corrects the error or mistake. The legislative body of the qualified local governmental unit and the commission may approve or deny the amended application. If the commission previously issued a certificate for the original application and approves an amended application under this subsection, the commission shall issue an amended certificate for the amended application pursuant to this section with the same effective date as the original certificate.

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History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2019, Act 44, Imd. Eff. July 8, 2019 ;-- Am. 2026, Act 35, Imd. Eff. July 22, 2026

Compiler's Notes: Enacting section 1 of Act 44 of 2019 provides:"Enacting section 1. This amendatory act is intended to be retroactive and effective beginning December 31, 2017."

207.847 Exemption of qualified facility from tax; duration of force and effect of certificate; commencement; date of issuance; extension.

Sec. 7.

(1) A qualified facility for which a commercial rehabilitation exemption certificate is in effect, but not the land on which the rehabilitated facility is located, or personal property other than personal property assessed under sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, for the period on and after the effective date of the certificate and continuing so long as the commercial rehabilitation exemption certificate is in force, is exempt from ad valorem property taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) Unless earlier revoked as provided in section 12, a commercial rehabilitation exemption certificate remains in force and effect for a period to be determined by the legislative body of the qualified local governmental unit. The certificate may be issued for a period of at least 1 year, but not to exceed 12 years. If the number of years determined is less than 12, subject to subsection (3), the certificate may be reviewed by the legislative body of the qualified local governmental unit and extended. The total amount of time determined for the certificate including any extensions must not exceed 12 years after the completion of the qualified facility. The certificate commences on its effective date and ends on December 30 of the last year of the number of years determined. The date of issuance of a certificate of occupancy, if required by appropriate authority, is considered the date of completion of the qualified facility.

(3) If the number of years determined by the legislative body of the qualified local governmental unit for the period a certificate remains in force is less than 12 years, the review of the certificate for the purpose of determining an extension under subsection (2) must be based on factors, criteria, and objectives that are placed in writing, determined and approved when the certificate is approved by resolution of the legislative body of the qualified local

governmental unit and sent, by certified mail, to the applicant, the assessor of the local tax collecting unit in which the qualified facility is located, and the commission.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2026, Act 35, Imd. Eff. July 22, 2026

207.848 Separate finding; contents; compliance; requirements; applicability; exception.

Sec. 8.

(1) If the taxable value of the property proposed to be exempt pursuant to an application under consideration, considered together with the aggregate taxable value of property exempt under certificates previously granted and currently in force under this act or under 1974 PA 198, MCL 207.551 to 207.572, exceeds 5% of the taxable value of the qualified local governmental unit, the legislative body of the qualified local governmental unit shall make a separate finding and shall include a statement in its resolution approving the application that exceeding that amount shall not have the effect of substantially impeding the operation of the qualified local governmental unit or impairing the financial soundness of an affected taxing unit.

(2) The legislative body of the qualified local governmental unit shall not approve an application for a commercial rehabilitation exemption certificate unless the applicant complies with all of the following requirements:

(a) Except as otherwise provided in this subdivision or subsection (3), the commencement of the rehabilitation of the qualified facility does not occur earlier than 6 months before the applicant files the application for the commercial rehabilitation exemption certificate. However, through December 31, 2009, for a qualified facility that is a qualified retail food establishment, the commencement of the rehabilitation does not occur earlier than 42 months before the applicant files the application for the commercial rehabilitation exemption certificate.

(b) The application relates to a rehabilitation program that when completed constitutes a qualified facility within the meaning of this act and that shall be situated within a commercial rehabilitation district established in a qualified local governmental unit eligible under this act.

(c) Completion of the qualified facility is calculated to, and will at the time of issuance of the certificate have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the qualified facility is situated.

(d) The applicant states, in writing, that the rehabilitation of the qualified facility, excluding qualified retail food establishments through December 31, 2009, would not be undertaken without the applicant's receipt of the exemption certificate.

(e) The applicant is not delinquent in the payment of any taxes related to the qualified facility.

(3) The provisions of subsection (2)(a) and (d) and the provision contained in section 4(1) that provides that the district must be established before an application is filed do not apply to the rehabilitation of a qualified facility located in a commercial rehabilitation district established by the legislative body of the qualified local governmental unit in 2011 for construction or rehabilitation that was commenced in August 2010 and for which an application for a commercial rehabilitation exemption certificate was filed in June 2010.

(4) For certificates issued by the commission after January 1, 2018, if the clerk of the qualified local governmental unit failed to forward an application that was approved by the

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legislative body of the qualified local governmental unit before October 31 of that year to the commission before October 31 of that same year but filed the application with the commission before October 31 of the immediately succeeding year and the commission approves that application, then the effective date of that certificate is December 31 of the year in which the qualified local governmental unit approved the application.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2008, Act 231, Imd. Eff. July 17, 2008 ;-- Am. 2008, Act 500, Imd. Eff. Jan. 13, 2009 ;-- Am. 2011, Act 82, Imd. Eff. July 12, 2011 ;-- Am. 2019, Act 44, Imd. Eff. July 8, 2019
Compiler's Notes: Enacting section 1 of Act 44 of 2019 provides:"Enacting section 1. This amendatory act is intended to be retroactive and effective beginning December 31, 2017."

207.849 Determining value of each qualified facility.

Sec. 9.

The assessor of each qualified local governmental unit in which there is a qualified facility with respect to which 1 or more commercial rehabilitation exemption certificates have been issued and are in force shall determine annually as of December 31 the value and taxable value, both for real and personal property, of each qualified facility separately, having the benefit of a certificate and upon receipt of notice of the filing of an application for the issuance of a certificate, shall determine and furnish to the local legislative body the value and the taxable value of the property to which the application pertains and other information as may be necessary to permit the local legislative body to make the determinations required by section 8(2).

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

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207.850 Commercial rehabilitation tax; determination of amount; payment; exemption; qualified retail food establishment; certificate issued before December 31, 2009.

Sec. 10.

(1) There is levied upon every owner of a qualified facility to which a commercial rehabilitation exemption certificate is issued a specific tax to be known as the commercial rehabilitation tax.

(2) Except as otherwise provided in subsection (8), the amount of the commercial rehabilitation tax, in each year, shall be determined by adding the results of both of the following calculations:

(a) Multiplying the total mills levied as ad valorem taxes for that year by all taxing units within which the qualified facility is located by the taxable value of the real and personal property of the qualified facility on the December 31 immediately preceding the effective date of the commercial rehabilitation exemption certificate after deducting the taxable value of the land and of personal property other than personal property assessed pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, for the tax year immediately preceding the effective date of the commercial rehabilitation exemption certificate.

(b) Multiplying the mills levied for school operating purposes for that year under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, and the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, by the taxable value of the real and personal property of the qualified facility, after deducting all of the following:

(i) The taxable value of the land and of the personal property other than personal property assessed pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14.

(ii) The taxable value used to calculate the tax under subdivision (a).

(3) The commercial rehabilitation tax is an annual tax, payable at the same times, in the same installments, and to the same officer or officers as taxes imposed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, are payable. Except as otherwise provided in this section, the officer or officers shall disburse the commercial rehabilitation tax payments received by the officer or officers each year to and among this state, cities, school districts, counties, and authorities, at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(4) For intermediate school districts receiving state aid under sections 56, 62, and 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the amount of commercial rehabilitation tax that would otherwise be disbursed to an intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of state aid, shall be paid to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(5) The amount of commercial rehabilitation tax described in subsections (2)(a) and (8)(a) that would otherwise be disbursed to a local school district for school operating purposes, and all of the amount described in subsections (2)(b) and (8)(b), shall be paid instead to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(6) The officer or officers shall send a copy of the amount of disbursement made to each unit under this section to the commission on a form provided by the commission.

(7) A qualified facility located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the commercial rehabilitation tax levied under this act to the extent and for the duration provided pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except for that portion of the commercial rehabilitation tax attributable to a special assessment or a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff. The commercial rehabilitation tax calculated under this subsection shall be disbursed proportionately to the taxing unit or units that levied the special assessment or the tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff.

(8) The amount of the commercial rehabilitation tax, in each year, for a qualified retail food establishment that was issued a certificate on or before December 31, 2009, shall be determined by adding the results of both of the following calculations:

(a) Multiplying the total mills levied as ad valorem taxes for that year by all taxing units within which the qualified facility is located by the taxable value of the real and personal property of the qualified facility on the December 31 immediately preceding the rehabilitation after deducting the taxable valuation of the land and of personal property other than personal property assessed pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, for the tax year immediately preceding the rehabilitation.

(b) Multiplying the mills levied for school operating purposes for that year under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, and the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, by the taxable value of the real and personal property of the qualified retail food establishment, after deducting all of the following:

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(i) The taxable value of the land and of the personal property other than personal property assessed pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14.

(ii) The taxable value used to calculate the tax under subdivision (a).

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2008, Act 500, Imd. Eff. Jan. 13, 2009

207.851 Lien.

Sec. 11.

The amount of the tax applicable to real property, until paid, is a lien upon the real property to which the certificate is applicable. Proceedings upon the lien as provided by law for the foreclosure in the circuit court of mortgage liens upon real property may commence only upon the filing by the appropriate collecting officer of a certificate of nonpayment of the commercial rehabilitation tax applicable to real property, together with an affidavit of proof of service of the certificate of nonpayment upon the owner of the qualified facility by certified mail, with the register of deeds of the county in which the qualified facility is situated.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

207.852 Commercial rehabilitation exemption certificate; revocation; transfer to subsequent owner.

Sec. 12.

(1) The legislative body of the qualified local governmental unit may, by resolution, revoke the commercial rehabilitation exemption certificate of a facility if it finds that the completion of rehabilitation of the qualified facility has not occurred within the time authorized by the legislative body in the exemption certificate or a duly authorized extension of that time, or that the holder of the commercial rehabilitation exemption certificate has not proceeded in good faith with the operation of the qualified facility in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder of the exemption certificate.

(2) Upon receipt of a request by certified mail to the legislative body of the qualified local governmental unit by the holder of a commercial rehabilitation exemption certificate requesting revocation of the certificate, the legislative body of the qualified local governmental unit may, by resolution, revoke the certificate.

(3) Upon the written request of the holder of a revoked commercial rehabilitation exemption certificate to the legislative body of the qualified local governmental unit and the commission or upon the application of a subsequent owner to the legislative body of the qualified local governmental unit to transfer the revoked commercial rehabilitation exemption certificate to a subsequent owner, and the submission to the commission of a resolution of concurrence by the legislative body of the qualified local governmental unit in which the qualified facility is located, and if the qualified facility continues to qualify under this act, the commission may reinstate a revoked commercial rehabilitation exemption certificate for the holder or a subsequent owner that has applied for the transfer.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2018, Act 250, Imd. Eff. June 28, 2018

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207.853 Transfer and assignment of certificate.

Sec. 13.

A commercial rehabilitation exemption certificate may be transferred and assigned by the holder of the certificate to a new owner of the qualified facility if the qualified local governmental unit approves the transfer after application by the new owner.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

207.854 Status report by local government.

Sec. 14.

Not later than June 15 each year, each qualified local governmental unit granting a commercial rehabilitation exemption shall report to the commission on the status of each exemption. The report must include the current value of the property to which the exemption pertains, the value on which the commercial rehabilitation tax is based, and a current estimate of the number of jobs retained or created by the exemption.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2026, Act 35, Imd. Eff. July 22, 2026

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207.855 Report to legislature.

Sec. 15.

(1) The department annually shall prepare and submit to the committees of the house of representatives and senate responsible for tax policy and economic development issues a report on the utilization of commercial rehabilitation districts, based on the information filed with the commission.

(2) After this act has been in effect for 3 years, the department shall prepare and submit to the committees of the house of representatives and senate responsible for tax policy and economic development issues an economic analysis of the costs and benefits of this act in the 3 qualified local governmental units in which it has been most heavily utilized.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005

207.856 Exemption not granted after December 31, 2035

Sec. 16.

A new exemption shall not be granted under this act after December 31, 2035, but an exemption in effect on that date continues until the expiration of the exemption certificate.

History: 2005, Act 210, Imd. Eff. Nov. 17, 2005 ;-- Am. 2015, Act 218, Imd. Eff. Dec. 15, 2015 ;-- Am. 2020, Act 217, Imd. Eff. Oct. 15, 2020 ;-- Am. 2026, Act 35, Imd. Eff. July 22, 2026